Lehmann, Frederick William

Speech... before the Democratic Sound...

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SPEECH OF F. W. LEHMANN,

. . . BEFORE THE . . .

DEMOCRATIC SOUND CURRENCY CLUB

OF JEFFERSON CITY,

AUGUST 28TH, 1895.

PUBLISHED BY THE
St. Louis Democratic Sound Currency Club.

Three years ago the Democrats of Missouri were strenuously engaged in the endeavor to elect Grover Cleveland to the Presidency of the United States. Now they seem, many of them, to be as strenuously engaged in the endeavor to prove that in electing him they committed a blunder so gross as to amount to a crime. I cannot agree with them. I have no apologies to make for what, as a Democrat, I have done in the past. I do not believe that in the days gone by the party has been deceived either in its candidates or its principles, neither do I believe that it has deceived the people. If I did, if I thought that the victories secured by the Democratic party in the national campaigns of 1884 and 1892, its only presidential victories in forty years, had been secured by misrepresentations, whether knowingly or ignorantly made, I should conclude that the conduct of politics would better be left to our Republican friends, who, whatever else they may do. never dispute their own wisdom nor challenge their own integrity.

Parties, which are but aggregations of individuals, are, like individuals, liable to err. To some extent they may, therefore, be excused for making mistakes, but there is a limit to the tolerance of human frailty. If blunders are made in the face of light and knowledge, if they are persisted in and repeated, in spite of persistent and repeated warnings, what explanation can be made that will not forfeit all title to public trust and respect?

In the English Parliament, when the Government wishes to show its strength, it proposes a vote of confidence. When the opposition think they can show the weakness of the Government, they propose a vote of want of confidence. In either case if the Government is beaten, it appeals to the people by a call for a new election.

Something like this procedure, yet very unlike it in one way, is going on among us. The people are appealed to on a vote of want of confidence in the Democratic party, a vote not proposed or carried by Republicans, but proposed and carried by Democrats in a convention, styling itself Demo-

cratic, and somehow or other the men engaged in this movement hope to win public confidence for the future by confession and insistence that they were not worthy of it in the past.

CLEVELAND AND THE DEMOCRATIC PARTY.

The Democratic party have honored Grover Cleveland as they have honored no other American, save Andrew Jackson. They nominated Andrew Jackson for the presidency, and though gaining for him a plurality in the popular vote, they failed of a majority in the electoral college. Beaten by a combination, which they charged to be an unfair one, in the House, they presented Jackson for the presidency a second and a third time and elected him. They nominated Cleveland and elected him. They nominated him a second time and were defeated, not by a combination in the House, but in the electoral college and at the polls. In the face of this defeat, they nominated him a third time and again they elected him.

They have not yet apologized for their long and earnest support of Jackson; and they have as little occasion to apologize for their long and earnest support of Cleveland. In many respects the characters of these two apostles of Democracy are not unlike; in them both we may see the candor that is almost impolitic in its openness; the integrity that enmity does not question and calumny dare not assail; the courage so stubborn that the utmost vicissitudes of fortune cannot shake it.

If we are to go into the next campaign denouncing Cleveland as the hireling of corporate capital, the designing tool of the money-changers, what shall we say for ourselves, who, three times held him up as the highest type of American citizenship, who so held him up not only when in the broad field of national affairs, he was yet untried, but when he had been tried through long years—tried in victory and tried in defeat. Let those who now speak of the cloven foot, answer why they did not speak of it sooner. Let those who now complain of the betrayal of public trust answer why they so long held so different a tone. Why have they been so long on the road to Damascus?

If there is one man in the Democratic party who has been, from the beginning, candid and consistent and steadfast in his views and conduct as to the national finances, that man is Grover Cleveland. In office and out of office, before election and after election, he has given plain and unmistakable expression of his opinions and his purposes.

In February, 1885, just before his inauguration as President the first time, he wrote a letter to General A. J. Warner, an avowed free silver man, in which he insisted that the coinage of silver dollars under the Bland-Allison act must be suspended, and he predicted a financial crisis as the result of continued coinage.

Then, if ever, was the time for complaint and repudiation by men who wished to deal honestly with themselves and with the people. What then hindered free speech by those who believed the Democratic party consecrated from its birth to free silver coinage? Surely, it was not the hope of sharing in the patronage that was yet to be distributed. It was simply because there was in this announcement of the President's views no disappointment of any expectation which he had excited. What other reason, consistent with self-respect, can a Democrat give?

In his first regular message to Congress, dated December 8th, 1885, the President considered the financial situation at great length. Again he insisted upon a suspension of silver coinage. He showed that even then the gold reserve in the treasury was in danger of impairment; that a tendency to hoard gold was already manifest; that the parity of the metals at the existing ratio could not much longer be maintained, and that a persistence in further coinage of silver would bring us to an exclusive silver basis, a result which he pictured as disastrous to all the commercial and industrial interests of the country.

Congress gave no heed to his advice or his warnings, and so in his second message, dated December 6th, 1886, he repeated them, but again in vain.

Thus on three public occasions, two of them official, he urgently and elaborately, earnestly and unequivocally, insisted that there be a suspension of silver coinage, as the only means of averting the financial disaster which, to his clear vision, was already imminent.

Thus advised, thus forewarned, again and again, and yet again, what did the Democrats do? Unanimously and by acclamation renominated him for the Presidency. What did they mean by this action? Did it not signify, "Well done, thou good and faithful servant?" Grover Cleveland had said that silver coinage must cease or a grave business crisis would ensue, and the Democracy of the United States indorsed him without reservation. The event itself proved the wisdom of his utterances. Instead of acting on his recommendations, the Government, under Republican administration, paltered with the question, stopped actual coinage, but bought silver bullion, issuing certificates for it, which went into circulation as money, and the result was what Cleveland had long and continually predicted, a panic with all its incidents of business hardship and individual distress.

But the record is not yet complete. In December, 1888, after he had been defeated in the contest for his re-election, he sent to Congress his last regular message and again he repeated the views expressed in his former messages, and again renewed his recommendation that silver coinage be suspended. His first message and his last; his utterances in the first flush of triumph, and in the first dejection of defeat, were the same. His constancy was beyond the power of fortune—on the sunlit hills and in the valley of the shadow—he held steadfast to his faith in honest politics, in an honest system of taxation and an honest system of currency.

Nor does the record end here. In 1891, after the Sherman silver purchase bill had been passed and was in operation, a public meeting, to protest against "the free coinage of silver," was called in New York and Mr. Cleveland was invited to address it. The public mind was already busying itself with the selection of the next Presidential candidates. For dishonest men it was a time for double dealing; for timid men it was a time for silence, but Mr. Cleveland, scorning the dictates or mere prudence or policy, once more declared himself. He said: "I shall not be able to attend and address the meeting as you request, but I am glad that the business interests of New York are at last to be heard on this subject. It surely cannot be necessary for me to make a formal expression of my agreement with those who believe that the greatest peril would be invited by the adoption of the scheme, embraced in the measure now pending in Congress, for the unlimited coinage of silver at our mints.

If we have developed an unexpected capacity for the assimilation of a largely increased volume of this currency, and even if we have demonstrated the usefulness of such an increase, these conditions fall far short of insuring us against disaster if in the present situation we enter upon the dangerous and reckless experiment of free, unlimited and independent silver coinage."

And now what happened? Did the Democrats of the country reject him? Well, some of them tried to. The regular delegation to the National Convention from his own State was against him, and no man had ever before overcome such an obstacle to nomination. Here and there, in other States, were occasional mutterings against him. I joined the ranks of the hostile forces and did all I could against him. It was not that I loved Cleveland less, but I loved another more.

Some leader of Democracy, a United States Senator, I think, had been reported as saying that Missouri was against Cleveland, because of his views on silver, and that he could not carry the State if nominated. But this report must have been a mistake, for when I attended the convention at Sedalia, drawn there by the hope of finding the delegates of my mind, in preferring the candidate presented by the Democracy of my old State, Iowa, I found myself more lonely in my opposition to Cleveland than I am in my support of him now, and as I hearken now to the defiant notes which the gallant Bland is blowing through his silver bugle my mind reverts to that futile struggle in '92 and in spirit I cry:

"O, where was Roderick then?
One blast upon his bugle horn
Were worth a thousand men."

He was not like the Roderick of the minstrel's lay, wounded, and a prisoner; he was free and whole and fighting in the foremost file of the forces, against which he should have been a leader.

The opposition to Mr. Cleveland's third nomination was barely enough to emphasize his wonderful strength and to accentuate his no less wonderful

triumph. He was renominated with the utmost enthusiasm and nowhere were the hosannas of victory louder than in the camps of the Missouri Democracy. The platform adopted at the same time was, and was intended to be, consistent with the record Cleveland had made on the silver question. The Democrats of the silver mining States understood this, and led by Mr. Patterson, they refused to support Mr. Cleveland, but went *en masse* to the camp of the Populists. But in Missouri there was not the slightest murmur of discontent. In every section of the State, the Democratic vote was increased and Mr. Cleveland headed every candidate on the State ticket. The country over, outside the silver States, it was as in Misouri; Cleveland was re-elected by a majority unprecedented in recent times, and there being elected with him a Congress of his own household, like an honest man, he insisted that the views which he had earnestly and repeatedly urged upon a divided Congress, should be adopted by one of his own faith. And because he did this, he is denounced to the people by the very men who had asked the people to elect him.

What a remarkable campaign the Democratic party of Missouri made in 1894. Its representatives telling the people that the party had betrayed them to their ruin. If the people believed them not, they could not trust them, neither could they trust them though they believed them. And it is seriously proposed to repeat this mode of campaign next year; to again invite public support by writing *Fraud* and *Failure* across the record of the only President we have elected during the present generation of the children of men.

Believing, as I do, that the President was right in the course he pursued; believing that the Democrats, in their support of him were neither knaves nor fools, believing that they can win public confidence in the future only by vindicating the confidence reposed in them in the past, loyalty to the Democratic party, as well as loyalty to my own convictions, compels me to consistency and to commend unreservedly and defend with my utmost ability, the financial policy of President Cleveland.

A CONDITION, NOT A THEORY, IN '93.

When Mr. Cleveland, on March 4th, 1893, came a second time to the Presidency, he could say with greater truth and emphasis than in his celebrated tariff message, "it is a condition, not a theory which confronts us." It was the condition of our finances. We had in our circulation gold, silver and paper money. The avowed policy of the Government was to maintain its different species of money at a parity. In doing this it had a fact to deal with, a very stubborn and conspicuous fact. The coin or mint value of our gold was the same as the market value of gold in bullion, while the coin value of our silver was nearly twice the value of silver in bullion. I do not stop now to consider whether gold had appreciated in value or silver had depreciated, I only note the fact that our coined silver was at

a ratio of sixteen to one with gold, while the market ratio of the metals in bullion was as thirty to one. Under these conditions of the market, the parity of our gold and silver coin, if maintained at all, must be maintained by the Government. Withdraw all Government aid from silver, refuse to interchange it with gold, and it must go to its bullion value. The power of Government to hold up silver in monetary value to a certain extent, is undoubted. Our fractional currency, which was of even less intrinsic value than our silver dollars, and yet circulated at par with gold, was an evidence of this. Our paper currency had no intrinsic value, and yet was at par. But there is a limit to what Government can do in this way. That limit was passed by our paper issues in the war time, and our paper fell to a great discount, and was not restored until 1879, and was restored only through a vigorous exercise of the taxing power. The people made the greenbacks good by redeeming them in the gold value of the products of their labor. There is no magic in the financial operations of a Government. Legislative enactments cannot create values. Labor alone can do that. Above the law of man is the law of God, eternal and universal: "In the sweat of thy face shalt thou eat bread all the days of thy life." Legislative enactments can take from one man what he produces and give to another, and by so doing, they may effect injuriously not only individual but even general welfare. If men are not protected in the earnings of their industry, there is no incentive to effort. The efficiency of government rests altogether upon its justice. As Thomas Jefferson said, "the whole art of politics consists in being honest." When each is secured in his own, when every man knows that what he sows he shall reap and what he reaps he shall enjoy, then will he sow and reap to his uttermost.

BLAND, ALLISON AND SHERMAN LAWS.

Our paper issues did not and could not remain at par when their volume was so great that the Government could not, on demand, redeem them in gold. How were our silver dollars to be kept at par with gold, when intrinsically they were at a discount of fifty per cent, if we kept on issuing them in large quantities? The Bland-Allison act, passed in 1878, provided for a minimum coinage of two million dollars worth of silver per month and a maximum of four millions. So far as the terms of the act were concerned, this coinage was not free in the accepted sense of that term; the Government bought the bullion at the market rate, whatever that was at the time, but coined always at the fixed legal rate of sixteen to one. In 1890, this act was repealed and the Sherman purchase bill enacted in its stead. Under the provisions of this act the Government bought every month 4,500,-000 ounces of silver at the market rate and issued certificates therefor, which were to circulate as money. So far as the terms of the law were concerned, this purchase was to go on forever.

At the time the Bland-Allison act went into effect the market ratio of

silver to gold was four per cent below our legal or coinage ratio. The Bland-Allison act did not have the effect to restore the parity between the market and the mint ratio of the metals. On the other hand, the price of silver bullion, as compared with gold, went steadily downward, not of course, because of the act, but in spite of it. While by the Sherman law the coinage of silver was suspended, the Government came into the market as a larger purchaser of silver than ever before: 4,500,000 ounces per month, practically the entire production of the United States. There was a slight rally in the market price of silver, but it was not sustained, and very soon the downward tendency was resumed, and there was no evidence that it would soon stop. I am not considering causes, but am simply stating facts. In March, 1893, we had in our circulation more than $600,000,000 of silver, represented either by silver dollars or certificates. The silver represented, constantly decreasing in value, and the Government under obligation of law to keep on buying.

HOW TO MAINTAIN PARITY.

The only way in which the Government could maintain the parity of silver with gold was to receive silver from those who wished to pay in silver and to pay gold to those who wished to be paid in gold. It would not do, simply to say the silver dollar is as good as the gold dollar, but it must act accordingly. It must manifest its faith by its works. If a debtor to the Government offered silver in discharge of his debt and the Government demanded gold, or if a Government creditor demanded gold and the Government offered silver, it would be idle to talk about parity. If the gold and silver were to be maintained in our circulation upon an equality, the Government must take whichever was offered, and give whichever was demanded.

What were its resources? It had a reserve fund of $100,000,000, accumulated for the redemption of our greenbacks. If we used this for the protection of the silver, it is evident that it would not hold out long. Our annual expenses were five times as much as this fund. Our silver circulation was six times as much, and was continually increasing. The Government must, therefore, get more gold, and this it could do only through the channels of its revenues. But whether or not people would pay their taxes in gold depended in turn upon their confidence in the purpose and ability of the Government to maintain gold and silver at a parity.

As the Government kept on issuing silver and as silver continued to go down in market value, public confidence became shaken. People began to keep their gold and the Government found in its revenue receipts an ever diminishing percentage of gold payments. Cleveland saw the danger at once, and called attention to it, in his letter to General Warner, in 1885. Why did not the crisis come during his first term?

Because our receipts were in excess of our expenditures. We were piling up a great surplus in the treasury. Getting in more than we were paying out, we could let the new silver, or a large part of it, remain in the

treasury, and that is what was done. And in that way we might have maintained parity forever, that is, by buying the silver from our mine-owners and keeping it in the Government vaults. But the Democrats said that a surplus was evidence of unnecessary taxation and that unnecessary taxation was unjust taxation. They denounced this unnecessary and unjust taxation, as imposed originally for the iron barons of the Alleghany Mountains, but nobody, among the Democrats at least, proposed to continue it for the benefit of the silver barons of the Rocky Mountains. We denounced the surplus as an evil and insisted that taxes should be reduced to the lowest level, consistent with the efficient administration of the Government. Our Republican friends laughed at us and told us that if they got in they would have no trouble with the surplus. They did get in and the surplus disappeared like the mists of the morning before the rising sun. They did not cut down the taxes, but they did increase the expenditures Instead of a surplus, we were soon threatened with a deficit. The silver, instead of simply piling up in the vaults, went, either in the form of specie or representative paper, into the circulation. Public confidence was again shaken, the percentage of gold paid into the treasury became again less and less, and when Mr. Cleveland came into office the second time it was at the zero point, and the panic was upon us. Business came as nearly to a standstill as is possible among a people like ours. Our old securities were returned to us from abroad, and new securities were refused. Nobody would enter into time engagements of any kind, when there might be a change in the legal measure of the obligations involved far beyond the expectation of profit under the contract. The experience of 1893 is too recent and the hardship and distress it entailed were too generally shared to need any description.

CAUSE OF THE CRISIS.

Republicans taunted Democrats with responsibility for the hard times, while Democrats insisted that they were a legacy of Republican rule. But statesmanship could not content itself with ascertaining partisan responsibility, it must do more—find the cause and apply the remedy. Whether the operation of the McKinley bill or the anticipation of its repeal had anything to do with the situation we need not now stop to inquire. Neither the operation of that bill nor the anticipation of its repeal was the sole or even the prime cause of the panic. By common consent of Republicans and Democrats, of silver men and of gold men, the prime cause was to be found in the condition of our currency. Difference of opinion existed only as to whether the fault was too much silver or not enough.

Mr. Cleveland was pledged by his convictions and by his party platform to maintain our different moneys at a parity. He could do this only by paying gold when gold was demanded, but the Government was getting none in its revenues, and so he did the only thing left open to be done; he sold bonds and bought gold, and as the purchase of silver under the Sherman

bill was the immediate cause of the hoarding of gold, he recommended its unconditional repeal.

It is for this he has been so bitterly denounced by so many Democrats in Missouri, who insist that instead of suspending the limited purchase of silver under the Sherman act, he should have striven for the free, unlimited and independent coinage of silver at our mints. The remedy of these physicians for too much cheap silver in our circulation, was more cheap silver. Their remedy was in the nature of a morning bracer after a night of dissipation. Mr. Cleveland's remedy was that of abstinence.

PERTLE SPRINGS PLATFORM.

To give emphasis to their plan and to promote its adoption by the Government, they called the Pertle Springs Convention, and their programme is now before us. They declare in favor of the coinage of gold and silver, free and unlimited, at a ratio of sixteen to one, without regard to the action of any other nation or nations, whatsoever.

They, in terms, declare only for the coinage of gold and silver upon the conditions set forth, but they, of course, mean coinage and circulation. They surely do not mean to coin gold at the U. S. mints for circulation in foreign countries, for the coinage as they desire it is to be free of charge. If their wish then is that there be free and unlimited coinage and circulation of silver and gold among our people, at a ratio of sixteen to one, then I have only to say that I wish it as heartily as they do, and I go even beyond them. As gold is a beautiful metal and lends itself so well to the purposes of decorative art, I wish its ratio to silver was as one to one. I wish for the abundance, and consequently the cheapness of all good things. I would like to see a lower ratio between iron and copper, between wool and silk, and so on, world without end. But the Good Lord has ordered otherwise. That which is precious is rare, and we cannot, by wishing, or favoring, or even by demanding, alter the constituted order of Nature.

THE PERTLE SPRINGS PROGRAMME AN IMPOSSIBLE ONE.

The Pertle Springs platform binds, and can bind no one, and this without regard to the "regularity" of the convention which promulgated it. The Pope who issued the bull against the comet may not have been regular, but that was not the reason the comet paid no heed to the bull. Regular or irregular, the Pope tried to do what was impossible, and even so is the case with the Pertle Springs Convention.

We cannot coin and circulate silver and gold upon the conditions stated, and as we cannot do what the convention demands, we must even do something else, and so each of us is left free to act according to his own convictions of what is right and feasible.

Let us consider precisely what the demand of the convention is respecting silver. It is (1) that the Government shall coin silver bullion into dol-

lars at its mints for whomsoever shall bring it, without charge for the service; (2) that it shall do this without limit as to quantity, and (3) without restriction as to its legal tender quality; (4) that the coinage shall be at a ratio of 16 of silver to 1 of gold, and (5) that all this shall be without regard to the action of any other nation or nations, whatsoever.

And we have to begin with the fact that while silver is to be rated in this coinage at 16 to 1 of gold, the market value of the two metals is as 30 to 1.

It is a law of man's nature that if he has anything to sell he will sell it in the dearest market to which he can gain access. If he wishes to buy anything he will buy it in the cheapest market. With this law of human nature, Democrats heretofore have had no quarrel. Indeed, they have always in their tariff discussions, insisted upon it as a sacred right of the individual and they have denounced the Protective Tariff as imposing upon us a species of slavery, because it restricted and interfered with the free exercise of this right. Confessedly, the law in question is one of self-interest; still when it is universal in its operation—when all men are free to buy and sell as they choose—it operates for the general good. However that may be, we know the law exists, and that men act upon it when they can. The Protectionist, no more than the Free Trader, pays duties upon what he imports, unless the law compels him to. The free silver man and the so-called gold bug, will neither of them part with either gold or silver at anything less than the highest obtainable market price.

With silver coined at sixteen to one, what will result? Will we coin any more gold, or coining it, keep it in our circulation? A man having an ounce of gold, if he takes it to the U. S. mint, can get it coined into dollars equivalent in number and legal value to those coined from sixteen ounces of silver. If he sends his gold to Europe and has it coined at any of the mints of that country, he can buy thirty-two ounces of silver with his coin, and bringing this silver to the U. S. mint can get just twice as many dollars of full legal value as if he had taken his gold there directly. Suppose he has no gold bullion but has U. S. gold coin weighing an ounce. Their legal value in the U. S. is equivalent to sixteen ounces of silver coin. But the gold is none the worse for being coined. In Europe its bullion value is equal to its coin value, and so he can send it there and do with it precisely what he could do with the gold bullion. Suppose again, he has neither gold bullion nor gold coin, but, being a farmer, has only farm products, and bringing these to his home market has the choice of receiving in pay for it an equal number of dollars in silver or gold, as he prefers. If he chooses the gold he can, by the method indicated, exchange it for double the number of silver dollars. And so it would be, *in theory*, with every man who had anything to sell. He would sell it for gold and take his gold for sale to the dearest market, which would be Europe, buy his silver in the cheapest market, which again would be Europe, and bring his silver for sale to the dear-

est market, which would be the United States. And if a man once got started in this business he would soon get rich. We would all of us go into the business, would we not? Well, no. We would find that for people like ourselves it would be a mere theory and not a condition confronting us, so far as these profitable exchanges are concerned. From the very nature of the case this system of exchanges would not last long, so far as based on our present supply of gold coin, and as to the gold produced from year to year, I take it that the owners of that would know quite as well as we where to look for the dearest market. But even as to the existing supply of gold coin, we would have no share in this traffic, because we have none of the coin. That would be found in the possession of the rich, in the possession of those who do not have to spend all they get. I venture to say you would find, if you could make the examination, that at this very time bankers and brokers and other people of that sort are keeping their reserves largely in gold, apprehensive that the free coinage movement may possibly succeed and if it does, they will substitute silver for the gold in their reserves and dispose of their gold at a premium. So there would be an end of gold in our circulation, which would go to Europe, and none of us profiting in the deal.

EXPERIENCE OF THE UNITED STATES.

This is not a matter of conjecture or speculation, it is the teaching of universal experience. This country, in its history, bears witness to it. Our coinage system was instituted in 1792. Silver was rated in the coinage at 15 to 1 of gold. But it soon appeared that the market value of silver was not so high as that. We coined silver and gold, but the gold would not stay in circulation. The difference between the legal and market rates of gold was small, about three per cent, but it was enough to yield a profit to those who bought it for export to countries where it was not undervalued. Thomas H. Benton said that the "false valuation put upon gold had rendered the mint of the United States, so far as the gold coinage is concerned, a most ridiculous and absurd institution. It has coined, and that at large expense to the United States, 2, 262.717 pieces of gold, worth $11,852,890, and where are these pieces now? Not one of them to be seen. All sold and exported, and so regular is this operation that the director of the mint, in his latest report to Congress, says that the new coined gold frequently remains in the mint, uncalled for, though ready for delivery, until the day arrives for a packet to sail to Europe. He calculates that two millions of native gold will be coined annually hereafter; the whole of which, without a reform of the gold standard, will be conducted like exiles from the national mint to the seashore, and transported to foreign regions, to be sold for the benefit of the Bank of the United States."

At this same time there was a little side speculation in silver. The Spanish milled dollars of that day contained more silver than ours, and they were legal tender with us. Our silver, in turn, passed current by the tale

in the West Indies and other Spanish American countries. So the brokers gathered up the Spanish dollars and had them recoined into American pieces, thus leaving in circulation among our people, as well as among the Spanish only the coins of lighter weight.

To such extent was this carried that of the $11,000,000 of silver coined at the U. S. mint during the five years preceding 1831, $8,000,000 was the recoinage of Spanish dollars. And as showing that only capitalists and moneyed institutions can engage in or profit by this sort of brokerage, it is a significant fact that of the $11,000,000 in specie, held by the U. S. Bank, only $2,000,000 was in U. S. coin.

We could not hold in circulation the gold which was underrated in our mint ratio and we could not hold the heavier silver coins, which were legal tender under our laws. The men that had gold or had Spanish dollars and who were not constrained by their necessities to pay them out in purchase of needed commodities, the men of wealth, who could study markets and avail themselves of market advantages, these did not pay out either gold or Spanish silver on the basis of U. S. silver, but sent the gold to Europe where it was dearest and the Spanish silver to the mint, where it was worth more than U. S. silver.

In 1834 we changed the ratio between silver and gold and made it sixteen to one. This was effected, not by increasing the amount of silver in the silver coin, but by decreasing the amount of gold in the gold coin. The silver dollars remained as they were, 371¼ grains fine. The gold coins were reduced to 23.2 grains fine. But silver was worth more than 16 to 1 in the market. It was being coined in France and other countries at a lesser ratio, viz: 15½ to 1. What was the result? The men who had silver to sell took it to the dearest market, which was Europe, and the United States, being one of the best markets for gold, gold came here; here and to England, which was in name, as well as in fact, what the U. S. now was in fact, on a gold basis. We overrated gold, less than four per cent, still this margin was enough to cause us to lose our silver. It was in 1834 that silver was really demonetized. That we would lose our silver was made a point of objection to the bill when it was pending, and which, in recognition of its effect, was known as the gold bill. It was a pet measure of Jackson's administration; its sponsor and champion in the Senate was his especial friend, Thomas H. Benton, of Missouri. It was a part of the plan of campaign of Jackson and Benton against the U. S. Bank. Benton went so far as to charge Alexander Hamilton with intentionally overrating silver in the coinage act of 1792 for the purpose of driving gold out of the country and by limiting our people to the bulkier and more inconvenient metal, enable the bank to more readily introduce its paper issues into the circulation. The measure, while in one sense a partisan one, was extremely popular; it was supported by some of the Whigs, among them Daniel Webster. What opposition there was to it was Whig, led by the Whig leader and the

opponent of Jackson, Henry Clay. These men knew what they were doing. Nobody was deceived. The bill was not surreptitously passed, and that it would drive silver out of circulation was asserted upon the one side and scarcely denied upon the other. Benton declared his preference for gold, giving at length his reasons for believing it to be the better money metal. If there was to be any mistake in the ratio, he wished it to be in favor of gold. And this coinage bill of '34, this gold bill was a Democratic measure—a measure of National Democracy and Missouri Democracy, then one and the same, and typified by Andrew Jackson and Thomas H. Benton.

And experience of the workings under this bill, brought no change of opinion to these men. So late as 1842, Benton said: "Holland and Cuba have the best currencies in the world; it is gold and the commercial bill of exchange, with small silver for change, and not a particle of bank paper."

In 1853 we made another important change in our coinage. Until that year our small silver was of the same relative weight and fineness as the dollar. Two halves, or four quarters, or ten dimes, or twenty half dimes, were of the same intrinsic value as the dollar. As a consequence they went the way of the dollars. We had coined about 80,000,000 dollars worth and yet we had no small change for our daily uses. Our small silver, like the dollar of the fathers, went into the melting pot for use in the arts or to reappear in the coinage of other countries. If this be not true, then I ask what has become of it? Why does it not turn up in something like its proper proportion to our entire silver currency, in the ordinary transactions of business? There is no difficulty in distinguishing those old halves, quarters, dimes and half dimes from the modern ones. They are distinctly larger. But they appear in our ordinary business transactions more rarely than foreign coins. A few of them remain in the hands of collectors, and now and then you can get one by buying it and paying a large premium. $80,000,000 of fractional silver means several hundred million pieces or separate coins, too many to be valuable as curios. 5,000,000 pieces of Columbian halves overstocked the curiosity shop and we find them passing now at their face value. I repeat this old coinage disappeared in the melting pot. It was too valuable for use as money. And so to provide the people with small change, the Government in 1853, debased its fractional currency, put less silver into the coins, so that the bullion value was less than the coin value, less than our gold coins, and this debased fractional currency, which was of limited legal tender quality, stayed with us until it was driven out by the cheaper paper issues of the war. But there was no free coinage under the act of 1853. The Government persisted in the gold policy, adopted twenty years before. The Government bought the silver bullion needed, at the market value and made a profit on the coinage. It did not force people to take this debased silver, but simply issued it dollar for dollar against gold, as it was called for to meet the demand for small change. In this same way, England and all other gold countries use silver in their currency

EXPERIENCE OF OTHER COUNTRIES.

The experience of this country with its coinage was not a singular one. It has been the experience of every country in the world, from the beginning of monetary history. To debase the coinage has been a favorite expedient of dishonest kings when they wanted to get money from their people without apparently taxing them. If the monarch dared not trust himself to make a requisition upon his people, he increased the proportion of alloy in the coins sent out from the mint. That is when they would not give, he picked their pockets. Being full legal tender he would pay his debts in this coin and other debtors discharged the claims against them with it. But in the long run the monarch suffered more in the general distress of his realm, than he had gained by his dishonest device. As soon as people became aware that base coins were coming from the mint, the good coin retired from circulation. Having two kinds of money, not the poor, who if they got a good coin were constrained by their necessities to pay it out, but the rich who could choose, kept the good and paid out the poor. As soon as discovered, the poor coin would sink in the business transactions of the people to the level of its intrinsic value and the good would go to countries where there was no effort by law to depress it below its real value.

During the reign of George the First, a patent was granted to a man named Wood, authorizing him to issue for circulation among the Irish people £100,000 of copper coins at a legal value far above the intrinsic value of the copper contained in them. Wood and his base coin were savagely attacked by Dean Swift in a series of pamphlets known as the Drapier Letters. It is upon these letters that the popularity of Swift in Ireland is based. They are wholesome reading to-day. Swift shows that these cheap coins will drive the better coin out of circulation, will hamper trade and beggar those who have to do with them. He advises the Irish people not to take them, but get on as best they can with what money they have. For himself, speaking in his assumed character of a Drapier, he says: "For my own part, I am already resolved what to do; I have a pretty good shop of Irish stuffs and silks, and instead of taking Mr. Wood's bad copper, I intend to truck with my neighbors, the butchers and bakers and brewers, and the rest, goods for goods; and the little gold and silver I have, I will keep by me, like my heart's blood, till the better times, or until I am just ready to starve; and then I will buy Mr. Wood's money, as my father did the brass money, in King James' time, who could buy ten pounds of it with a guinea; and I hope to get as much for a pistole, and so purchase bread from those who will be such fools as to sell it to me."

The Government took up the cause of Mr. Wood and Chief Justice Whitsides charged the Grand Jury of Dublin to indict the printer as guilty of uttering a political libel—a libel against the sovereignty of his Majesty, George the First, but the Grand Jury refused to do it, and then he lectured them, and dismissed them because they had refused. And Swift attacked

him for that, and the next Grand Jury that met in Dublin did bring in a presentment, but not against the printer. They brought in a report against Wood's debased copper coin, supported Swift and endorsed his position, that the people of Ireland should have none of it. Then the English Privy Council took it up and they issued a manifesto, and said, "Why these coppers that we are trying to get you people to take for your own good, are the coppers of your fathers. Don't you remember that in the good old days you had coppers just like those?" And Swift answered, "No, not like these; they were not issued in unlimited amount as will happen under this patent, and more than that, the men who issued them were compelled to give bond to the treasury to redeem them at their face value whenever and by whomever presented and thus their value was maintained by the credit that was behind them." Precisely so Mr. Cleveland proposes to maintain the value of the silver in this country by the credit, being the credit of the Government of the United States behind it.

That was not the only experience they had over there. In the time of William the Third, there was much trouble with clipped and worn coin. All their pieces then passed current by count and not by weight, and a worn piece was legally worth as much as a piece fresh from the mint; a clipped piece went as well as a whole piece; and the result was, there was scarcely a whole coin to be found in the realm, and it made great trouble in trade, in the ordinary business relations of the people. Sir Isaac Newton, not a politician, but a philosopher, John Locke, an equally eminent scholar and philosopher, gave their minds to the question, and they said: "You cannot keep good coin in circulation as long as this clipped coin goes by count. You may issue new coins from the mint; you may run the mint to the fullest capacity, but your new coin will be clipped or it will be hoarded." And so it proved. And they said, "the only way you can do is to call in this old coin, call it in, let the Government stand the loss, recoin it, and then provide that any coin that is worn more than so much, or that is clipped, shall pass only for its weight and not for its face, and thus only you can keep good coin in the realm."

Henry VIII had debased the coinage during his reign. When Queen Elizabeth came to the throne she had it to deal with. She consulted Sir Thomas Gresham, an eminent scholar of that time, and he told her what the trouble was, that a poor and a good currency will not circulate together, but that the poor will drive out the good, and this law is known in the literature of political economy as Gresham's law.

Sigismund I, had to deal with debasement of the coin, in Prussian Poland, and he consulted Copernicus, and although that was 100 years before Thomas Gresham had formulated his law, Copernicus reached the same conclusion. He told the King, "you must not debase your coinage, you must keep it up to the market value and you must call in the bad coin before you send out your new, because if you let the bad and the new be circulated together, the bad will drive out the good."

They had the same trouble in France, the bimetallic country, as it is called. They had it over and over again, and as far back as 1360, when Charles V, of that country had to deal with a debased currency. He consulted Oresme, one of his counsellors, and got the same advice. Oresme said you have no more right to arbitrarily fix the price of gold or silver by law, than you have to so fix the price of anything else. Make your money honest. Make its legal value the same as its intrinsic value and you will have no trouble with it.

We talk much of the dollar of the fathers; let me tell you something of the father of the dollars. We get the word dollar from the German. In that language it is "thaler." What does it mean? "Thal" is a valley, and "Thaler" is a valleyer or one who comes from the valley, just as a mountaineer signifies one who comes from the mountain. A great many years ago, the counts of Shlicken who lived in the Joachim Valley in Bohemia used to take silver and cut it into pieces which they stamped to show its weight and fineness. They did not coin them, but simply put on a stamp. They were honest men, and people found they could trust their stamps and soon these pieces passed current all through Europe according to their market value, as shown by the stamp or certificate as to their weight and fineness, and because they came from a "thal" or valley, they were called "thalers" or valleyers.

They were honest thalers—passing current on their merits, at their real value—they did not have and they did not need any "friends" to help them along. And they represent my idea of an honest dollar, one which does not seek to pass for more than it is worth and therefore maintains its own parity.

Long before the Christian era people had these troubles with the currency. We look to Athens usually for art and poetry and philosophy, but we can get lessons in political economy there also. Those old Greeks were not above observing the prosaic concerns of every-day life. They had trouble with cheap money and with cheap politicians, too, for the Comedian Aristophanes, tells us in his Comedy of the Frogs:

> "Oftentimes have we reflected on a similar abuse,
> In the choice of men for office, and of coins for common use,
> For your old and standard pieces, valued and approved and tried.
> Here among the Grecian nations, and in all the world beside,
> Recognized in every realm for trusty stamp and pure assay,
> Are rejected and abandoned for the trash of yesterday,
> For a vile, adulterate issue, drossy, counterfeit and base,
> Which the traffic of the city passes current in their place."

THE MONEY BROKER.

No law which Mr. Bland may propose can repeal Gresham's law, for that is a natural law, a law growing out of men's desire for gain, for that desire will assert itself at every opportunity.

Underrate either gold or silver in the coinage, and at once the money changer appears, to get the profit which may be had by sending the underrated metal to a market where it will bring its full value. The poor can never profit by this brokerage, for they cannot engage in it. It is a traffic for the rich and for the rich alone. And it is a traffic that creates no wealth, but only changes its possession to those who engage in it from those who do not, from the poor to the rich.

Christ found the money changers in the temple, selling the half shekel pieces which every Jew above twenty years of age must at every census pay into the treasury. Only half shekel pieces were received and the poor in Judea who did not receive this money in recompense for their toil, must buy it with their mites and pay a premium. Christ drove the money changers from the temple with a scourge of whip cords, and let us not call them back, but this we surely will do unless we maintain our different forms of money, gold, silver and paper, dollar for dollar, at a parity.

RATIOS AND VALUES.

If we are to have, as the Pertle Springs Convention demands, free, unlimited and independent coinage of gold and silver, the intrinsic value of our gold and silver dollars must be the same, and the ratio at which the metals are coined must therefore be that which is indicated by the relative value of the metals.

It has been reported that Governor Stone has said that "as we must start somewhere, why not start at 16 to 1." I do not believe he said that. If anybody does propose any such tinkering, experimental policy with the currency, I answer with the homely wisdom of Davy Crockett, "Be sure you're right and then go ahead."

In these discussions we have much to say of parity. What does parity mean? It means equality of value. The silver men say that Cleveland is not friendly to silver and discriminates against it. But Mr. Bland, whose friendship for silver is beyond challenge, claims no more for silver than that it shall pass at one-sixteenth the value of gold. Here is in itself a gross discrimination against silver and that, too, by its especial champion. Sixteen to one! I ask with Falstaff, "Call you that a backing of your friends," and with him exclaim, "a plague upon such backing." Sixteen to one so far from being parity is gross disparity. Mr. Cleveland would do no more than double it. But both discriminate against it and discriminate outrageously. Is no one proof against the insidious influence of corporate capital? Are Bland and Cleveland both gold bugs and is it the only difference between them, that Mr .Bland has more alloy in his composition?

The only genuine parity is one to one. Why should we not coin at that rate, why discriminate against silver in any degree? Upon the answer to that question hinges this entire controversy.

There is nothing mystical or sacred about the ratio of sixteen to one. It does not come from heaven, nor even from hoary antiquity. It has not always been and may not always be. We may be forced to a higher ratio and we would all gladly go to a lower if we could.

We did not get sixteen to one from Jefferson, for he said fifteen to one. And where did he get that? Not from our laws, for we had none on the subject when he wrote. Not from the laws of other nations, for he said, "Just principles will lead us to disregard legal proportions altogether." He got it from the markets, from the markets of the world. For those same just principles which led to a disregard of legal ratios would lead us, he said, "to inquire into the market price of gold, in the several countries with which we shall be principally connected in commerce, and to take an average from them." No craft, no cunning in this, nothing but plain, common sense. Jefferson got the ratio between silver and gold just where he would have gotten the ratio between beef and pork. What is pork worth? Go to the markets. What is beef worth? Go to the markets. And go to the markets if you would know what gold and silver are worth.

What gives to gold and silver their value? Some will answer their use as money. But they had value before they were so used. They had value before legal tender laws or mints existed; before governments existed to establish mints or enact legal tender laws. When man in remote ages rose in the smallest degree above the level of the brute, when first the sense of beauty was awakened in his soul, these bright, shining metals had value for him, because they ministered to that sense of beauty. Among the Homeric Greeks, gold and silver were known and used, but not as money, and yet they had money in that day. But gold and silver were used only for ornament and the money consisted of oxen. Homer gives us some prices. The armour of Diomed which was plain, cost nine oxen, that of Glaucus, which was resplendent with gold, cost an hundred oxen, the prize for which the wrestlers contended cost thirty, and a woman captive skilled in the domestic arts sold for four. Rather a low ratio that between women and oxen, but happily ratios are not eternal and we must put the *ratio* far above four to one, if we attempt to maintain parity between oxen and women.

The first money coined among the Greeks bore upon its face the figure of an ox, indicating that it was of the value of an ox or that it had taken the place of the ox as currency.

Many different things have been used as money. The Africans of the West Coast used cowrie shells, the American Indians used shells also, and for a time the Puritan fathers did the same, counting always on their redemption by the Indians with whom they had a real value. The Cavaliers in Virginia used tobacco, and in Mexico they have been known to use soap for that purpose. I do not know whether they ever used it for any other.

Whatever was thus used for money by any people, had a real value in the estimation of that people, and it passed current accordingly. As civili-

zation progressed, as men learned wisdom by experience, they found that these crude, primitive moneys would not serve their purposes well. Oxen were not a very definite measure of value. Some were large and some were small, some were fat and some were lean, some were old and some were young. They were an expensive money, for oxen must be fed, and they were not easily carried about from market to market. By slow stages, by evolutionary processes, men came to the use of the precious metals. These had intrinsic value and they had large value in small bulk. They cost nothing to keep. They are practically indestructible, silver losing one per cent of its weight in 10 years, and gold one per cent in 50 years. They could be divided and maintain their relative value, and so could be made to meet the requirements of any transaction. But all the qualities that gave value to gold and silver and made them available for use as money as well as useful in the arts were possessed in higher degree by gold than by silver and as very soon silver became more abundant than gold, for the double reason that the demand for it was greater and the supply of it less, gold was valued at a higher rate than silver, and it is doubtful if a ratio of one to one, or absolute parity, ever existed. Disparity has always been the rule and how great the disparity, has always depended upon the same factors that affect the value of all other commodities, supply and demand.

But for centuries the tendency has been upward for gold and downward for silver. It was so before any country, even England, went to a gold basis, and it will continue so long as the same conditions remain. We need not look to legislation to find why silver has gone down or gold has gone up, in value. Legislation has followed the decline, and has been had because of the decline. It may, indeed, have accelerated that decline, but it did not initiate it.

How much gold and silver there was in the world when America was discovered it is difficult to say, but thenceforth the supply was continually and greatly increased. From the discovery of America to the gold find in California, the world's production of silver amounted to more than seven billions of dollars, and of gold to more than three billions. Since the gold find in California the silver production has been about three billions, coinage value, and the gold production has been about five billions. This current year the gold production promises to be larger than ever before. This increase in the supply of gold has brought it more and more into use as money. Preferable to silver as money, as the supply of it increased its use as money has increased; and its use as money has increased out of proportion to the supply. Mulhall estimates that in 1850, 32 per cent of the world's stock of gold was to be found in the coinage of the nations, now the coinage absorbs two-thirds of the stock of gold. This vastly increased use of gold as money has the same effect upon the value of silver that the introduction of electric street cars and bicycles has had upon the value of horses. When gold was scarce it was

used chiefly in the arts, and only in small measure as a circulating medium, the money of the world being chiefly silver. But with ever increasing production, the demand for gold in the arts was easily supplied and an ever increasing amount was left for use in the coinage, and so silver went down in money use and in money value under the competition of the superior metal.

INDEPENDENT BIMETALLISM.

But this was not all. Bimetalism had been tried by all nations and had been tried by them independently. Ratios were established and were changed independently. The result was the ratio was never the same in all the commercial countries. The operation of money brokerage between the nations was continually going on to the detriment of all legitimate business. Nations then did not dream of co-operation, but based their policies upon mutual distrust. In considering ways and means to preserve a stable money standard, economists, not conceiving international action to be possible, recommended a single standard, not necessarily of gold, but of gold or silver. England was the first to act, and she took advantage of this fact to adopt the best metal as the standard. This was in 1816. She demonetized silver, except for subsidiary purposes. Portugal followed in 1854. In 1871 came Germany and following her the Teutonic Nations, Denmark, Sweden and Norway. The United States followed in 1873. Then came France, Italy, Switzerland, Belgium, Holland and Spain. Other countries of minor importance followed and at last in 1893 came the great silver using country, India. All the countries named or referred to changed at the times indicated from a double to a single gold standard, either demonetizing silver altogether, except for subsidiary purposes, or stopping its further coinage.

CAN THE U. S. ALONE RESTORE THE PRICE OF SILVER?

Use affects demand and demand affects value. We may admit that the action of the United States in 1873 affected the value of silver, but how much did it affect that value? It did not drive silver from a ratio of 16 to 1, to a ratio of 32 to 1. So much is certain. Something of the decline was due to the natural causes stated, and something to the action of other nations. Germany had been using more silver than we, so had France, and so had India. The other Teutonic and Latin Nations were all considerable users of silver. It was not then demonetization of silver by the United States that sent silver to a ratio of 32 to 1, and remonetization by the United States cannot bring it back to 16 to 1. It may bring it up one point or two or three or even more, but not sixteen, and yet if it fails by a single point out of sixteen our experience and the experience of the world shows that we must go to an exclusive silver basis.

Why, we have tried the experiment in its every phase. If we demonetized silver in 1873, and drove it down in value, why did not our remonetization of it in 1878 bring it up again to the old ratio. In 1878 the silver in our dollar was worth ninety-six cents. What drove it down to fifty cents by 1893?

But Mr. Bland answers that we did not get free coinage by the act of 1878. But what has that to do with the case? The value of silver could be legitimately affected only through a demand created by the use of it. Now we *used* silver under the act of 1878 more than we had ever done before. Two million dollars worth a month we bought and put into circulation, and this we did regularly and continuously. Never before had we done as much, and never before at any time had any other country done as much. And yet silver went down. Then by the Sherman law we redoubled our efforts. We bought four and a half million ounces a month, paying the market price whatever that might be. We had never done so much before, and no other nation had done so much. For a while, for two months the fall in silver was arrested, and then it continued its downward course. We did not coin all the silver we bought, for we could not—no not if all our mints had been running at full capacity all the time—but we bought it and used it in one form or another in our currency and we did for silver all that we could have done by free coinage. I admit we did not do as much for the silver barons, for when we bought the bullion at market instead of at coinage rate, the government saved what the silver baron would have made by free coinage. That is all the difference. Our legislation is just as favorable to silver, because making just as much demand for it, as if our mints had been running at full capacity and free of charge, but not so favorable to the owner of the bullion.

But the effort to sustain the price of silver by the independent action of this country was fairly tried—tried for twelve years and proved a failure. Why should we repeat the futile experiment? And why not accept the teaching of experience, which is that if we coin silver at 16 to 1 of gold, we will lose the gold from our circulation. There is only one preventive and that is suggested by the course of events from 1885 to 1889. When we were taking more money from the people than we needed for the expenses of our Government, when we were piling up a surplus, we sustained well enough the silver in our monetary system, sustained it by piling it up in our vaults, the visible tangible evidence of the surplus we so much condemned. We may be rich enough in resources thus to take care of the silver of the world, but it will cost us as much as the civil war cost, and for what purpose—to maintain the integrity of the Union, to give freedom to millions of bondsmen—no, to give to the owners of silver twice as much as their commodity is worth, to take from those that have not and give to those that have, to make the rich richer and at the expense of the poor.

The Government has in my judgment long enough helped the iron barons of the Alleghenies and the silver barons of the Rockies. If it has any more favors to dispense, let it be to the people of the great valley that lies between those mountain ranges, to that people who create nearly all the wealth of this country and bear nearly all the burdens of our Government. If by law we are to raise the gold prices of any commodities, let it be the

prices of the productions of our fertile fields, which are the mines of our real wealth.

INDEPENDENT COINAGE UNDEMOCRATIC.

Some of our silver friends say never mind what the effect of independent coinage at sixteen to one may be, so far as concerns our relations with other nations, let us establish our own monetary system, for we are great enough to be independent of all the nations of the world.

It seems to me that I have heard this sort of talk in other years, but not from Democrats. Our Republican friends were wont to employ it in support of their protective policy. We talked of our commerce with foreign nations and especially with England, the chief market for the surplus product of our fields, and they answered that we should build up a home market and become independent of England and when we still insisted that commerce among nations, like commerce among individuals, was a benefit to all concerned in it, and that commerce would cease of itself unless it was mutually beneficial, they denounced us as theorists and even hinted something of British influence and of British gold. And that old bogy of British influence and British gold which Republicans used in vain to frighten Democrats, some of those same Democrats think to use to frighten the brethren of their own faith.

Again, they answer that if we come to a silver basis, we will have an advantage in trade with the silver-using countries. But which are the silver-using countries? Mexico, Central America, a portion of South America, China and Japan. What does this mean more than the reciprocity policy tacked by Blaine upon the protective policy of McKinley. It means trade with the countries that use but little of our farm products and isolation from those who would be our best customers. I am no more in favor of this sort of reciprocity when it comes from Bland for the benefit of the silver men than I was when it came from Blaine for the benefit of the iron men. Our commercial and our financial policy must be determined by the same considerations. I am against all restrictions upon trade, whether they come from adverse duties or from adverse rates of exchange. I stand by the teaching of Jefferson that in adjusting the ratio between our money metals, we should "inquire into the market price of gold in the several countries with which we shall be principally connected in commerce."

The policy of isolation and exclusion is not and never has been a Democratic policy. Whenever it has been proposed we have denounced it as un-American, as an ancient Chinese and Japanese policy. And right here. I wish to qualify what I said some time ago. I said you could not circulate both gold and silver under free coinage, except at a market ratio. It can be done under certain conditions. The Japanese did it. They had a gold piece called the yen, which they coined at a ratio of 1 of gold to 4 of silver and yet it passed current as money. But that was because they had not use enough for gold in the arts to disturb this ratio, and they had no

commerce with the outside world. The yen was not exported because nothing was permitted to be exported. When, however, the ports of Japan were opened to strangers and European traders came among them, the yens soon disappeared. The traders gathered them in and a fine time they had of it for a while, selling their goods at a profit and getting besides a money that was worth four times what they took it for. The stock of Japanese yens ran down faster than a Democratic surplus under Republican administration, but not for long. The Japanese are quick to learn. They saw from the eagerness of the traders for their yens, that the pieces were undervalued as money and they ceased to use them as such and held them at their bullion value.

THE DEBTOR ARGUMENT.

It is said that justice to the debtor class requires the free coinage of silver, that gold has appreciated two fold and that the burden of debts has been correspondingly increased. I know of no debtor class in this country. There is such a class in silver standard Mexico, but not here. The peons of Mexico are a debtor class. They are persons who are in debt and have no property to pay with, and so become bondmen to their creditors, working at wages which leave them no hope of regaining their freedom. We have nothing of that sort. Our debtors have nearly all of them property, and those who have not, have their freedom and all the opportunities of the future. If sympathy and sentiment are to have place here it should not be for the debtor as against the creditor, but for the poor as against the rich. I found myself penniless in 1870 and went to work for a farmer in Southwestern Iowa at sixteen dollars a month. I worked for eight months and spent very little money, for I had determined on going to school. At the end of the eight months my employer owed me a balance of a hundred dollars. He was my debtor and what he owed me was all I had. He had 200 acres of land well improved and well stocked, but he owed me a hundred dollars. Why should the Government help him to pay me that money, when it had not helped me to earn it? There were then and are now millions of such creditors as I was and there were and are now many such debtors as he was. Every laboring man is to the extent of the amount due him, is in the measure of his thrift, his economy and his self-sacrifice a creditor. Our debtors are the great majority of them solvent, they are of those who have, rather than of those who have not. That is why they are in debt, they could not get in debt otherwise. Hopeful, sagacious, enterprising men go into debt, because they see a way to use advantageously and profitably more money than they have of their own. They borrow to make investments from which they expect a profit greater than the interest they have to pay. Sometimes they are disappointed. We all sympathize with men who are thus unfortunate. They may have been crushed by the collapse of some real estate boom, or less venturesome and less speculative their humbler expectations may have been ruined by circumstances of ex-

ceptional adversity and misfortune. I can conceive of no scheme of government which will prevent all hardship and distress for individuals. In legislation we must consider the greatest good of the greatest number, and if there is to be discrimination should it not be for the patient, toiling millions who confront the world with nothing but their capacity for labor, whose sole resource is found in the days of work in which their strength will express itself.

The chief debtors in this country and those whose debts have run for the longest period, and are therefore most affected by the appreciation in gold are the railroad companies. Most of them have in express terms contracted to pay in gold and have received a corresponding benefit in a reduced rate of interest. Does their condition appeal to your sympathies to such an extent that you would enact a law altering the obligations of their contracts? Bear in mind that no debtor, corporate or individual, whose debt is expressly payable in gold, will be helped by simply enacting free coinage of silver. You must do more, you must abrogate the provision of his contract stipulating for payment in gold. What is that but partial repudiation? Our public debts, national, state and municipal come next in order. Many of these are expressly payable in gold. The burden of these is distributed among the whole people, and surely so far as they are concerned, we can afford to determine our financial policy on its merits.

When we come to private debts, how does the account stand? Our savings banks owe $1,700,000,000, as much as the national debt, and they owe it to more than 4,000,000 people, chiefly workers and heads of families, whose deposits average less than $400 each.

Our life insurance companies have $1,000,000,000 of assets held in trust for the payment of policies, often the only resource of the family when the breadwinner is gathered to his grave.

Examine the books of our National and State banks and you will find that the enormous aggregate of their deposits is made up of millions of deposits, far exceeding in number the debts due to the banks.

Marshal the people of this country into two ranks of rich and poor and you will find many debtors among the rich and many creditors among the poor. You will find among the poor some hopeless, insolvent debtors, but far outnumbering these you will find those to be who in an humble way are creditors, creditors for arrears of wages, creditors for a little sum laid up in a savings bank, or in premiums paid on a life policy, or even creditors for a little mortgage representing the savings of years. And it is precisely these creditors who will be most hurt by payment in a depreciated currency, for the debts due them are of recent date, the money represented by them was earned on a gold basis and in justice should be so repaid.

It is the view of our silver friends that the debt contracted twenty years ago, when the gold and silver dollar were of equal value has become doubled in its value now that, as they would put it, the gold dollar is worth

twice as much as the silver. They assume that we have been since 1873 on a gold basis and that gold has been constantly appreciating. But by the same mode of reasoning we are brought to the conclusion, that we must measure the increase in the burden of any debt by the appreciation of gold over silver since the debt was contracted. In this view free coinage would be just so far as concerns the payment of debts when gold and silver were at a parity, but not so far as concerns the payment of debts contracted since the appreciation of gold manifested itself. To do equal and exact justice the debts must be scaled down in proportion as gold has gone up, but they propose nothing of the sort, they put the debt contracted last year, whose burden has not been increased, upon the same footing as that contracted twenty years ago whose burden has been increased two-fold.

THE BURDEN OF DEBT NOT INCREASED.

Has there been, properly speaking, any increase in the burden of debt? Our national debt has been much decreased in amount since 1870, but it is claimed that it will take more bushels of wheat and more of many other commodities to now pay what remains of it than were required in 1870 to pay the larger amount then due. This may be true as to some commodities, but is not true as to all. And even if it were generally true it would not follow that the last estate of this country is worse than the first. There is another side to the picture and let us look at that.

In 1870 the national debt, per capita, amounted to $60.46; in 1894 it was $13.17. Will anyone pretend that it is harder to pay $13.17 now than to pay $60.46 in 1870? In 1870 the interest charge on account of the national debt was $3.08 per capita; in 1894 it was 37 cents. Not only had the amount of the principal been reduced, but the annual interest charge, through a reduction of the interest rate, had been reduced still more. Will anyone say that it is more difficult to pay 37 cents now than it was to pay $3.08 in 1870? For every dollar of national debt in 1870 we had in property, at the greenback valuation, a little less than thirteen dollars. As our debt was on a hard money basis, our property valuation should, in fairness, be reduced to the same basis—but let that pass. A little less than $13.00 of property for every dollar of debt in 1870. How was it in 1894? For every dollar of debt more than $77 of property. Has the burden increased? Do we wish to restore the conditions of 1870?

Our silver friends speak the truth, but not the whole truth, in this matter. It does take more of some commodities now to pay the national debt at its present figure than would have been required of that same commodity to pay the larger debt in 1870, but the commodity could not then have been produced or sold in quantity sufficient for the purpose.

In 1873 barbed wire was first introduced to use in this country. It was worth then 15 or 16 cents per pound. Now it is worth three cents. There were five tons made in 1873, and now the annual production is 250,000 tons.

The present large production would not be possible at the former high prices. What brought prices down? The appreciation of gold, the contraction of our currency? Nothing of the sort. Gold is more abundant than ever. We have a larger amount of money in use, absolutely and per capita, than in 1873. With the expiration of the patents, there is no longer a royalty on barbed wire, but as the royalty at the highest did not amount to two cents a pound, that accounts for only a small portion of the decrease in price. The main cause is to be found in mechanical inventions and improvements. Automatic machinery, improved from year to year, instead of crude hand tools for barbing—equally important improvements in the art of making plain wire—these have been the efficient agents to bring barbed wire down from fifteen to three cents per pound, and by cheapening it, to enormously increase its use. And who was hurt? Certainly not the farmers. Neither were the manufacturers. I had occasion to know most of them, and I know they prospered and grew rich, although the prices of their product were continually going down—because that decline in prices did not mean a corresponding decline in profits, but rather a decline in costs. And what is thus true in such marked degree of barbed wire is true in varying degrees of all manufactured products. It is equally true of rates of transportation. Improved roadways, improved engines and cars, have brought down railroad rates, while at the same time wages have gone up. The benefit resulting from such improvements should be generally shared. Nobody is entitled to monopolize them. They are the fruits of the progress of the race and the common heritage of humanity.

It is true that the changes in agricultural processes have not been so great as in the mechanical arts, and perhaps never can be. Manual labor must always remain an important factor in the productions of our fields. As a consequence, prices of farm products have not declined so much as the prices of other products. In many cases, indeed, the prices at the local markets, and those are the prices which our farmers get, are as great as, or even greater, than before. Horses and wheat are indeed exceptions, but the currency had nothing to do with them. The price of horses has been brought down by the bicycle and the electric car. Every invention with a great deal of good does some present harm. It affects the value of what it supersedes, and often throws men out of employment for a time. But the good it does far outweighs the evil, and after a re-adjustment to the new condition has been effected, its influence is wholly for good.

Wheat has declined in part because of improvements in processes for producing it, and in part because the area of wheat culture has been greatly extended. So far as the decline is due to the first cause, our farmers are not injured. They can afford, and ought to reduce prices when costs are reduced. As to the second cause, so far as it has been influenced by any legislative policy of the United States, we have heretofore said it was due to our protective and proscriptive tariff, which forced our best customer, Great

Britain, to look elsewhere for her bread supply. I am still of that opinion. But surely the trouble is not with our money supply, as that, like all our other commodities, has been continually increasing in amount.

WHAT CHEAPNESS MEANS.

There is one fact which we need not shrink from avowing, and that is that, generally speaking—we may almost say universally—the purchasing power of the dollar, measured in things of human use, or consumption, has been greatly increased. Does not that increase the burden of debt? Yes, if the dollars are harder to get than before—otherwise, no. The average of annual wages in our cities—in all our urban industries—has increased from \$302, in 1870, to \$485, in 1890. So far as debt paying was concerned, the efficiency of these men was increased sixty per cent during that interval of twenty years, and to them, the fact that each one of this increased number of dollars earned in 1890 would buy more than the dollar of the lesser number, earned in 1870, was an unmitigated blessing. They will not and no friend of theirs will wish it to be worth less.

Progress so marked as this and so general could not be limited in its benefits entirely to the cities or to city interests. Our farmers have shared in it—not to the same degree as their brethren in the cities, and the cause of this I will consider later, but still they have had some share in it. The evidence is to be found in every farmer's own experience, and to others it is attested by the increased and increasing dollar value of farm lands. Nowhere in the Mississippi Valley, unless the conditions be anomalous and exceptional, can farm lands be bought at so low a price per acre as in 1870, and it is impossible that the money value of farm lands should rise, when the money value of the sum of the products from these lands was continually falling.

The one fact which, above all others, explains the decline in prices, so far as there has been a decline, is not the appreciation of gold, nor the depreciation of silver, but the appreciation of human labor. Things are cheaper than ever before because, and so far as they are more abundant than before and they are more abundant because in the progress of civilization, human labor has been made more productive. That labor is the source of wealth, is a truth more profound than many who speak it realize. That the rich are growing richer is true, but that the poor are growing poorer is not true. Both propositions cannot be true. The rich can grow richer only because there is an increase of wealth, and this can come only from an increase in the efficiency of labor. Labor in turn cannot become more efficient without becoming more intelligent, and where it has learned to produce more it has learned to secure a greater proportion of its product for its own reward. Production is for the purpose of consumption. The increase in the production of all commodities means a more general consumption—a consumption shared in by more people—and upon no other condition is an increase of production possible. The rich man cannot expand his stomach as he expands his purse.

A general improvement of human conditions has always come, must always come, chiefly through an increase in the efficiency of human effort. To this is due the great growth of wealth in this country and that those to whom the increase is due have shared in it to some extent, if not to so great an extent as they ought, is evidenced by the increase in the number of dollars of average annual wages and also by the increase in the purchase power of the dollar.

CHEAP DOLLARS FOR CREDITORS MEANS CHEAP DOLLARS FOR LABORERS.

How will we help the laborer if we diminish the purchasing power of the dollar? Will not the effect upon him be the same as if we diminished the number of his dollars? Remember that whatsoever dollar we adopt in our currency, it is a dollar not only for the payment of debts, but also for the payment of wages. In 1890 we paid in this country, on account of wages, exclusive of agricultural labor, $2,283,000,000. The sum of all payments on account of debt—national, state, municipal, corporate and individual—including interest and payments made on account of principal, would not approximate that sum. If to take from creditors their share in the general increase of wealth, you depreciate the purchasing power of the dollar, by the same act you take from the laborers of the country, in even larger amount. If it be contended that wages will be adjusted to the new conditions, so it must be remembered will debts and credits. The power of money expresses itself in the rate of interest. Future loans will be in the cheap money and six per cent on a cheap dollar is as hard to pay as the same per cent on a good dollar. Present creditors may lose in the process of adjustment and so will present laborers. Cheap money will expand prices. We saw that during the war. Food, fuel, clothing, everything went up as our issues of greenbacks increased. Did not labor go up too? Yes, but it was the tail end of the kite. It went up last, and, like the tail end of the kite, it was the first to come down. And so it will always be. Why? The law of supply and demand makes it so. There is a greater supply of labor than of any other one commodity. Labor stands for the sum of all other commodities. It cannot be cornered or monopolized by its owners. Partial combinations—as trades unions—have met with some success, but a general combination of all laborers has never succeeded, nor has ever been attempted. Another consideration is in point. You cannot corner labor because it is the most perishable of all commodities. You may keep tropical fruits for days and even for weeks. How long can you keep to-day's work if you don't use it? You cannot carry to-day over until to-morrow. Time must be used or it is lost. Every moment perishes as it passes. That is why wages respond most slowly to a rise in prices and that is why the mischief of depreciating currency falls most heavily upon labor, and that is why a depreciated currency is, as Daniel Webster characterized it, "the most ingenious device

ever invented for fertilizing the rich man's field with the sweat of the poor man's brow."

THE FARMER'S TROUBLE.

Farming interests have not, I said, shared equally with city interests in the general increase of wealth, but that is not due to the currency, for we had the same currency for city and country. There was no discrimination in that. So far as the farming interests have been denied their fair share through any action of Government, we must look to some policy of Government which has discriminated against them. Has there been any such policy in our laws? The Democratic party answers that question in the affirmative, and says it is to be found in our tariff system which hindered and burdened our commerce with foreign nations and injured our farmers, because that commerce on our side was made up, in by far its larger part, of the products of our farms. I stood with the Democratic party in that position, and I stand there yet. I cannot accept the teaching of the new school that we disregard that commerce and ignore its requirements. I believe in a trade as free as the wind, which bloweth where it listeth, free as the waves that beat upon our shores in ceaseless invitation to adventure. Next to production, commerce is the most benign form of human effort. The white swelling sails of our merchant ships are the harbingers of "peace on earth and good will to men," and their mission is by the interchange of commodities to give to all men, wherever their lot may be cast, a portion of all of God's bounties, in whatever clime they may be displayed. Free trade—no trammel upon the intercourse of nations, no limitations upon the brotherhood of man—is the beneficent Democracy I have been taught. I cannot forget it; I will not abjure it; I can accept no financial doctrine which contravenes it. We cannot ignore other nations in our financial system, so long as we have commerce with them, and if we wish to profit by that commerce to the utmost, our money, like that of Abraham, must be current with the merchants with whom we deal; it must be like all the other instrumentalities of our trade—the goods we offer for sale, the ships in which we transport them—as good as that of any other nation in the world.

And in objecting to the trammels which a depreciated currency would put upon our commerce with the world, I stand upon the Democratic platform; I stand for the coinage and currency system recommended by Thomas Jefferson; for the coinage and currency system put into effect by the administration of Andrew Jackson, under the leadership of Thomas H. Benton; for the coinage and currency system disordered for a time by Republican interference, and restored again by the courage and patriotism of Grover Cleveland; and so standing, I have no need to apologize for what, as a Democrat, I have done in the past, nor will I have need in the next campaign to shift my position, for, by the grace of God and the action of our next national convention, it will be the Democratic position still.

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